



CITY COUNCIL AGENDA REPORT

DATE: 1/28/2019

AGENDA OF: February 12, 2019

DEPARTMENT: Public Works

SUBJECT: 2018 Downtown Employee Commute Survey Results & Transportation
Demand Management Program Recommendations (PW)

RECOMMENDATION: Consider the results of the Downtown Employee Commute Survey and recommended Transportation Demand Management (TDM) program and direct staff to pursue Scenario 3: Multimodal Program with a \$300,000 budget.

Or

Consider the results of the Downtown Employee Commute Survey and recommended Transportation Demand Management (TDM) program and direct staff to pursue Scenario 4: Downtown Commission Recommendation with a \$585,000 budget.

BACKGROUND: Over the past 18 months, the City Council and Downtown Commission have reviewed numerous items related to expanding a Downtown Employee Transportation Demand Management (TDM) Program. TDM is a term used to describe coordinated strategies that aim to reduce the use of single occupancy vehicles in order to reduce traffic and parking demand and to increase mobility. Goals of an expanded program include reducing congestion, maximizing existing parking resources, and reducing greenhouse gas emissions. This work was highlighted at the June 12 and June 19, 2018 City Council meetings, leading to the adoption of the parking rates strategy at the September 11, 2018 City Council meeting.

The City Council adoption of the updated parking rates strategy established a \$300,000 annual dedicated TDM funding stream. This funding stream will be used to implement strategies that reduce congestion and parking demand downtown and increase the number of trips made by non-single occupant vehicles (SOV). The goals of the TDM program include reducing Greenhouse Gas Emissions (GHG), reducing parking demand, and enhancing mobility alternative transportation options for downtown employees the reduction of SOV trips.

The goal of the Downtown TDM program is to offer alternative transportation options for the widest variety of commuters. The City of Santa Cruz's aims to "meet people where they are"; in effect, promoting mode shift to sustainable modes of transportation that make the most sense for the individual commuter. Rather than a one-size or one-mode fits all approach, the City aims to provide options that recognize individuals needs and motivations, and incentivize mode shift based on those individual characteristics. By taking a dynamic approach in promoting alternative transportation modes, the City can maximize the utility of public funds invested in mode shift.

In order to design the proposed TDM program, the Downtown Commission reviewed current and planned TDM efforts at multiple Commission meetings throughout 2017 and 2018. To assist in building this program, staff conducted two downtown employee commute surveys to better understand the commute patterns and needs of downtown employees. This data sought to refine who would be willing and able to switch modes, what modes they would be interested in switching to, and what methods would incentivize them to switch from driving alone.

The first downtown employee commute survey was conducted in spring 2017. The goal of the survey was to provide data that would guide the development of a TDM program. From the survey results, and discussion at the Downtown Commission, the City sought to build a TDM program to “meet people where they are” based upon three primary criteria: top-rated program elements that people would want to use as alternatives to driving alone, a focus on office workers within the Downtown Parking District due to their regular schedules and ability to form new commute habits, and targeting top motivations that employees stated would encourage them to switch modes.

The top program element from the 2017 employee commute survey was a high interest in biking, and the top motivations were saving time and saving money. This indicated that a focus on biking as an alternative could yield results, and providing incentives to commuters could influence behavior change. Office employees remain the group most likely to change their behaviors due to their predictable schedules, allowing for the building of routine. A full summary and recommendations from the first Downtown Employee Commute Survey was presented to the Downtown Commission in June 2017 (**Attachment 1**).

As the result of the recommendations from the 2017 employee commute survey, securing a reliable funding source in September 2018, staff conducted a second downtown employee commute survey in November-December 2018 to gain further insight and refine the proposed Downtown TDM program.

The results of the 2018 Downtown Employee Commute survey and TDM program recommendations were presented to the Downtown Commission on January 24, 2019 (**Attachments 5 and 6**). At that meeting, the Downtown Commission recommended that City Council approve the staff recommended Scenario 3: Multimodal, add \$50,000 to the budget to allow staff to respond to emerging needs of the program, and to add \$217,000 to the budget to fully fund an EcoPass program for all 4,000 downtown employees.

DISCUSSION:

Like the survey in 2017, staff made the 2018 survey accessible by providing both electronic and paper copies available in English and Spanish. The response rate and by-employment-sector breakdown of the survey are included as **Attachment 2**. A summary of survey responses is provided below, and the full survey results are included as **Attachment 3**.

Sector: The following employees were broken into individual groups to be analyzed: Service sector employees, Drive Alone employees, and ‘All Office’ employees (Light Office, Government, or Tech). Last year’s survey identified Office employees as the primary focus for the TDM program due to their regular schedules and increased ability to shift their routine. Of Drive Alone employees, 32% work in the service sector and 68% work in Government, Light Office or Tech.

Schedule: Of all employees surveyed, 68% work full-time (35+ hours per week). Service sector employees were more likely to work part time (fewer than 35 hours each week), with 25% of respondents claiming that they worked fewer than 20 hours. Half (50%) of all employees start work between 6am and 9am, while for service sector employees, the largest category of responses was “Schedule Changes Daily”, at 29%. Only 20% of service sector employees start work between 6am and 9am daily. When employees have the same schedule every day, this allows for repeated actions to become habits, such as taking the same bus every morning, or linking up with a consistent carpool partner. This helps drive the success of a TDM program.

Proximity: Of all employees surveyed, 47% live within three miles of downtown, an ideal group for targeting mode shift. 79% live within 10 miles of downtown, and 8% live more than 25 miles from downtown. A closer proximity to downtown allows active transportation modes, such as biking and walking, to be feasible for downtown employees. For the 47% of respondents who live within three miles of downtown, this is a 15-20 minute bike ride, which is likely time competitive with driving, parking, and walking to your place of employment.

Mode split: The way that survey respondents traveled to work each day, closely resembles City-wide mode split data from the U.S. Census American Community Survey. See **Attachment 4** for the Mode Split of this year’s survey’s respondents, as well as information on regional and national mode splits. Of note, the 2018 survey showed over 14% of downtown employees commuting by bike, an increase from the 2017 survey rate of 8.9%. This could be because of the launch of the JUMP bike program, as well as new infrastructure and the continued difficulty finding available parking.

To develop to TDM program, it was a goal to maximize mode shift potential by using data to drive recommended program elements. Key questions that the survey sought to assess were what would encourage people to switch modes, what modes they would want to switch to, and why they currently drive. Getting a clear picture of these questions allows for a TDM program to be tailored to the downtown population, and address their diverse needs.

Motivation: Survey respondents were asked about incentives that would encourage them to try an alternative to driving alone to work. For drive alone employees, the highest responses were financial incentives (such as prizes or challenges), saving time, and secure bicycle parking near their workplace. The lowest ranked choice was ‘Bicycle Safety Information or Skills Class’, with ‘Citywide E-Scooter Program’ and ‘Information on transit routes or joining a carpool, vanpool’ being the second and third lowest selected answers, respectively.

Respondents were asked about how likely they would be to try different modes. For all employees and service employees, biking was the top ranked mode choice. Biking as a top alternative extended across all of the subgroups: ‘Drive Alone’, ‘All Office’, and ‘Service’. This was also true in the 2017 survey, leading to a high level of confidence that investments in encouraging biking could result in mode shift.

Respondents were asked about their top motivations for driving alone to work. For all employees, convenience of having their car was the top response. For Service employees, ‘The bus is inconvenient or takes too long’ was the top reason’. For the ‘Drive Alone’ and ‘All Office’ subgroups, convenience was the top reason for driving alone.

The 2018 commute survey data compliments the data from the previous survey to inform how to build a robust, efficacious TDM program, reinforcing the findings and recommendations from the 2017 survey. The combined surveys further focus the program goals on the three prior recommendations:

1. Focus on top-rated program elements

The 2017 survey and 2018 survey data provided consistent results on which modes downtown employees are interested in trying. Biking, walking and carpooling held the highest appeal while transit was among the lowest ranked options. Additionally, financial incentives were ranked highest among survey respondents in likelihood to get them to try and retain a mode shift. For Drive Alone employees, financial incentives (ranked top choice by 55% of respondents), saving time (ranked top choice by 35% of respondents), and secure bicycle parking at/near work (ranked first choice by 30% of respondents). This tell us that investments in top program elements of biking, walking, and carpooling would encourage people to try these mode if we show cost and time effectiveness, and address secure bicycle parking.

2. Focus on the ‘All Office’ subgroup

Due to the stable schedule of the majority of office workers, this segment of our downtown employee population was highlighted in the previous survey results as an opportunity group due to their higher than average Drive Alone mode split, their more reliably traditional schedule, and interest in switching modes. Having a consistent schedule allows to new commute choices to be habit forming and consistent. ‘All Office’ workers currently have a higher drive alone rate than other groups. This schedule also typically works a standard 8AM to 5PM schedule, as the survey shows. This creates a wide pool of other employees with a similar schedule who could be partnered for carpools, transit or bike buddies, or vanpools.

3. Focus on top motivations

Among Drive Alone employees, convenience was ranked as the #1 reason for driving. It is undeniable that driving alone is the most convenient mode of transport for many employees; it requires no coordination or scheduling, provides protection in all weather and allows the flexibility to pick up kids from school and run errands after work. Among the ‘Drive Alone’ and ‘All Offices’ subgroups, financial incentives and ‘Saving money’ or ‘Saving Time’ were the top ranked incentives that would motivate behavior change. This suggests that financial strategies and incentives would be a critical component of a successful TDM program, as well as communicating the time saving incentives that other modes can provide.

Utilizing the results of the two Annual Commute Surveys, staff presents three different investment scenarios: Biking, Transit, and Multimodal. Each of these scenarios heavily focus on increasing their respective mode splits, with the Multimodal scenario taking an across the board approach to reduce Single Occupancy trips. As the result of the January 24, 2019 Downtown Commission recommendation, an additional option, Scenario 4: Downtown Commission is also included in this report.

Scenario One: Invest in Biking

Both 2017 and 2018 show a clear interest in biking among most survey respondents. Biking was chosen as a top alternative mode of transportation in both 2017 and 2018 commute surveys, and is a cost- and time-efficient alternative for the 47% of downtown employees who live within three miles of downtown. While Scenario 1 covers a variety of transportation options, it

places the greatest investment in biking, reflecting the results of the 2017 and 2018 surveys. Scenario 1 recommends the investment of the annual \$300,000 budget as follows:

Scenario 1: Bike Focused

This Scenario estimates costs of \$294,500 and includes \$5,500 in contingency funding.

Bike: \$96,500

The bike portion of Scenario 1 covers three new BikeLink lockers (\$15,000), purchase and distribution of 200 BikeLink cards pre-loaded with \$20 of credit (\$4,000), subsidized JUMP memberships for downtown employees (\$62,500), and two ‘Bike Commute Month’ challenges in May and October to coincide with Bike to Work Days.

Transit: \$63,000

Scenario 1 provides sufficient funding to provide free transit passes to double the mode split, from 3% currently to 6%. This budget assumes that 60% of downtown transit users/potential users already hold a transit pass from UCSC/Cabrillo passes in line with overall METRO ridership, resulting in a need to provide for 2.4% of all downtown employees. This scenario would fund the purchase of 1,152 transit passes, covering 2.4% of the 4,000 employees for 12 months. If this quantity of passes is insufficient, the contingency fund could be used to purchase additional passes.

Commute Management Platform: \$40,000 and Carpool: \$25,000

The City would partner with the Regional Transportation Commission (RTC) to procure a commute management platform to monitor, track, contact, and report progress on mode split shifts. This platform would also serve as a marketing platform. Carpool subsidies would be provided within the commute management platform.

Education and Encouragement: \$15,000

Education and encouragement would include workshops to educate employees through workshops covering bike safety, as well as bike training sessions for those participants who are interested in biking but do not feel comfortable with their skill level to switch to cycling as their main commute mode.

Marketing and Incentives: \$55,000

Marketing and Incentives would include targeted marketing to increase enrollment in the commute management platform, incentives tailored to biking (examples: bike lights, helmets, locks) as well as branding and advertising. This investment in incentives directly addresses the interest in financial incentives to encourage mode shift expressed by survey respondents.

Contingency: \$5,500

Scenario 1 includes \$5,500 for contingency funds. This would allow for flexibility in spending to address emerging program needs.

Scenario Two: Transit Focused

While provision of free or reduced price transit passes were not ranked as a top program element or top motivation to shift modes in either 2017 or 2018 Downtown Employee Surveys, an “Eco Pass” program is a potential TDM model available. An Eco Pass is a model to provide all users in a group with a transit pass purchased at a deep discount, similar to an insurance pool. This

Scenario is based upon staff level discussions with METRO from January 2018, and any EcoPass program is contingent upon METRO Board of Directors approval.

Scenario 2 is the least reflective of what the Downtown Employee Commute survey stated would encourage people to switch modes. While transit is a key component of any TDM program, Scenario 2 invests the entire budget in transit, and other modes would not receive any funding. Survey results stated “the bus is inconvenient or takes too long” as a top reason for not taking the bus, and Scenario 2 does not address this concern.

Scenario 2 recommends the following annual budget:

Scenario 2: EcoPass

This Scenario estimates costs of \$335,000. Scenario 2 would be \$35,000 over budget and would require a reallocation of funds to fund this investment scenario.

Transit: \$320,000

In Scenario 2, bus passes would be provided to all downtown employees. This proposal would solely emphasize transit use as a means to reduce single-occupancy vehicle trips and does not include any funding for any other mode. This investment option does not include higher or more frequent levels of service to the bus system or any additional geographic coverage, meaning if the bus currently does not serve where you live, this option will not add that. Additionally, some form of identification or transit collateral would need to be distributed to all 4,000 downtown employees as evidence of their participation in the program.

Scenario 2 includes full funding for the EcoPass to cover all downtown employees and contingency funding to cover any additional service that may be required for the potential increase should the program exceed projected ridership (at \$140/hour) as outlined in the staff proposal from METRO.

Marketing and Incentives: \$15,000

Scenario 2 budget includes \$15,000 for marketing of the EcoPass program and enrollment in the program. No prizes are built in.

Bike: \$0

Carpool: \$0

Commute Management Platform: \$0

Education and Encouragement: \$0

Contingency: - \$(35,000)

Scenario Three: Invest in a Multimodal approach

This Scenario estimated costs of \$291,000 and includes \$9,000 in contingency funding.

With high interest in biking as an alternative mode of transportation and more tempered interest in other alternative modes, the Scenario 3 approach reflects the survey result interest in biking as well as other modes and covers the widest variety of downtown employees. This approach is similar to Scenario 1 in some regards, but apportions funding to more broadly cover transportation options. The recommended investments from Scenario 3 include:

Bike: \$57,000

The bike portion of Scenario 3 is similar to Scenario 1, with slightly less investment in biking. This includes purchase and distribution of 100 BikeLink cards pre-loaded with \$20 of credit (\$2,000), subsidized JUMP memberships for downtown employees (\$40,000), and two 'Bike Commute Month' challenges with incentives in May and October to coincide with Bike to Work Days (\$15,000).

Transit: \$94,000

Scenario 3 would roll out a modified Ecopass in that the District will provide free transit passes to every downtown employee requesting and meeting the same criteria that would be required for the standard Ecopass. Initial funding estimates an optimistic tripling of the transit mode split, from 3% currently to 9%, plus reserve funding. Functionally, this means that the City will purchase enough transit passes to distribute to as many downtown employees as would like a transit pass. As with Scenario 1, this budget assumes that 60% of downtown transit users/potential users already hold a transit pass from UCSC/Cabrillo passes in line with overall METRO ridership, resulting in a need to provide for 3.6% of all downtown employees. This scenario would fund the purchase of 1,728 transit passes, covering 3.6% of the 4,000 employees for 12 months. If this quantity of passes is insufficient, the contingency fund will be used to purchase additional passes for all downtown employees wishing to use transit.

Commute Management Platform \$40,000 and Carpool \$20,000:

The City would partner with the Regional Transportation Commission (RTC) to procure a commute management platform to monitor, track, contact, and report progress on mode split shifts. This platform would also serve as a marketing platform. Carpool subsidies would be provided within the commute management platform. Carpool subsidies would be provided within the commute management platform and have \$20,000 in annual funding.

Education and Encouragement: \$15,000

Education and encouragement would include workshops to educate employees through workshops covering bike safety, as well as bike training sessions for those participants who are interested in biking but do not feel comfortable with their skill level to switch to cycling as their main commute mode.

Marketing and Incentives: \$55,000

Marketing and Incentives would include marketing to increase enrollment in the commute management platform, incentives to not drive alone, as well as branding and advertising. This investment in incentives directly addresses the interest in financial incentives to encourage mode shift expressed by the existing drive-alone group.

Contingency

This scenario includes \$9,000 for contingency funding to address emerging program needs.

Scenario Four: Downtown Commission Recommendation

This Scenario costs \$585,000. Scenario 4 would be \$285,000 over budget and would require a reallocation of funds to fund this investment scenario.

At their January 24, 2019 meeting, the Downtown Commission heard the presentation on the 2018 Downtown Employee Commute survey, as well as from four members from the public during public comment. From the discussion, the Downtown Commission recognized that the

staff recommended Scenario 3 aligned with the survey results and the ability to shift modes, but also wanted to provide extra funding for a full EcoPass program.

While the program budget was established at \$300,000 per year, the Downtown Commission recommended to increase this budget by \$50,000 to address any emerging needs over the year, and an additional \$217,000 to cover an EcoPass for all downtown employees. In addition to this, City staff recognizes that if an EcoPass program is to move forward, the marketing budget must be increased in order to give that investment the greatest chance for success.

The recommended investments from Scenario 4 are exactly the same as Scenario 3, except in the following way:

Transit: \$318,000

Scenario 4 provides bus passes to all downtown employees utilizing the METRO staff proposal of \$311,117 for an EcoPass and contingency funding to cover any service that may be required for the potential increase should the program exceed projected ridership (at \$140/hour) as outlined in the staff proposal from METRO. As with Scenario 2, this does not include any transit service or frequency above the existing levels- the bus will not come more often, the bus won't start earlier or run later, and the bus will not go to places it does not go now. Additionally, some form of identification or transit collateral would need to be distributed to all 4,000 downtown employees as evidence of their participation in the program.

Marketing and Incentives: \$75,000

Marketing and Incentives are the same as Scenario 3 with the additional of \$20,000 for transit specific marketing to increase the reach and awareness of the program.

Contingency

This scenario does not include any contingency funding, and is \$285,000 over the established budget.

Recommendation:

Staff recommends that City Council consider and adopt Scenario 3 as the most prudent approach to expanding a downtown TDM program. Scenario 3 provides options for all types of commuters, achieving the goal to “meet people where they are” within the established budget of \$300,000. It also provides flexibility for new users to try different options to see what is right for them. This approach uses data to drive the program, matching proposed program investments with areas that survey respondents identified as high interest to meet their needs, and allows for subsequent years of funding to use this data to refine the program for continued success. The flexibility to choose which mode is right for your individual commute will maximize the impact of the program, rather than only providing for one mode as a solution.

FISCAL IMPACT: The Parking Fund has allocated \$300,000 per year. This is funded through parking user fees.

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Attachments:
Downtown Commission June 2017 Staff Report
Survey Response Rate
Complete Survey Responses
Mode Split
Downtown Commission Staff Report
Downtown Commission Draft Action Summary